

DEPARTMENTAL BUDGET INFORMATION

FINANCE DEPARTMENT (23)

STATEMENT OF PURPOSE

The Finance Department will help support the Mayor's vision to transform the government of the City of Detroit to the Next Detroit by applying the guiding principles of the Next Detroit, which means structural balancing by bringing costs in line with revenue, while improving services.

In that light, the Finance Department is responsible for maintaining the City's financial solvency, providing finance-based services to City departments and facilitating economic growth in Detroit through the effective and efficient management of resources and processes that provide essential services, a safer environment and an improved business climate for the City's public and private sector customers.

DESCRIPTION

The Finance Department's principal responsibilities focus upon safeguarding the City's financial position by maximizing revenues, controlling expenditures, managing risk exposure, monitoring debt parameters and reporting financial information.

The Finance Department is comprised of various divisions. The **Administrative** Division sets and maintains policies and procedures to be used throughout the Department. The **Office of Targeted Business Development** (OTBD) facilitates, and encourages startup growth of Detroit-headquartered businesses, Detroit-based/women-owned businesses, Detroit-based/minority-owned businesses, and Detroit-based small businesses. The **Assessments, Treasury and Income Tax** Divisions are responsible for property valuation and for collecting property taxes,

income taxes and utility users taxes owed to the City. The **Accounts** Division is responsible for maintaining accounting controls, the pre-audit of expenditures, and processing all payments including payrolls. The **Purchasing** Division is responsible for the processing of City purchase orders and contracts. The **Risk Management** unit protects the assets and earning power of the City from loss or destruction and is responsible for maintaining the self-insurance Risk Management Fund, and this unit administers various safety programs. The **Debt Management** unit is responsible for financing the City's capital needs and those of quasi-public agencies, and for investing all City funds, excluding Pension funds. This division also administers the City's deferred compensation plan. The **Pension** Division is responsible for the administration of the employee pension and retirement systems.

MAJOR INITIATIVES FOR FY 2007-08

The Finance Department will add staff to the Assessments and Treasury Divisions to increase revenue collection for the City of Detroit. The Purchasing Division will provide training to city departments on the DRMS/Oracle Purchasing module and monitor compliance with various ordinances. The Assessments Division will store assessment roll information on CD's to save cost and storage space. The Treasury Division will install an Interactive Voice Response (IVR) Information/Call sequencer System. The Accounts Division will continue to upgrade the City's Human Resources/Payroll System, work with appropriate banking institutions to implement electronic processing of vendor payments, and implement an ergonomic

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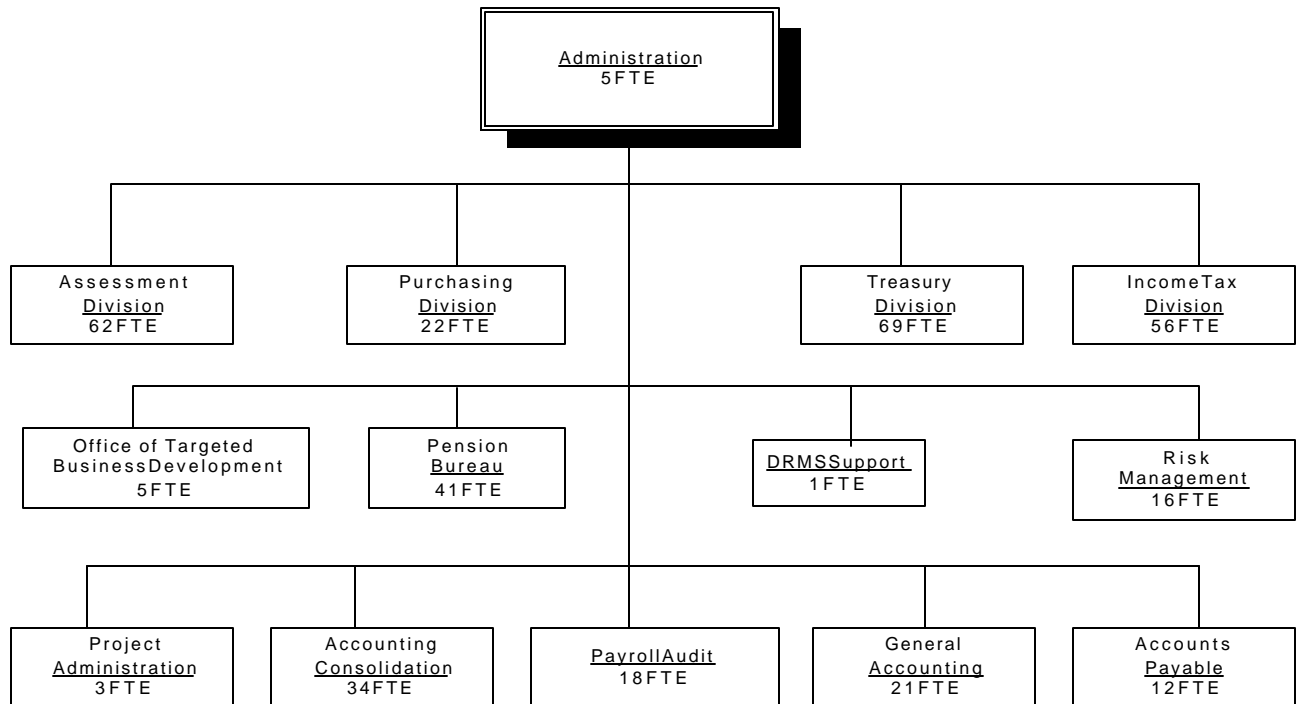
study of the job classifications causing the greatest amount of worker compensation cost in order to identify unsafe working practices/policies for a greater reduction of worker's compensation cost.

PLANNING FOR THE FUTURE FOR FY 2008-09, FY 2009-10 and BEYOND

The Finance Department role in the Next Detroit Neighborhood Initiative (NDNI) will transform the city's neighborhoods into vibrant areas for it's citizens to work, play, and live. Finance will do this by providing support services for vendor payments, property tax information, and other financial services to assist the NDNI in establishing the proposed neighborhoods in development. The Finance Department

plans to improve the City's ability to bill and collect its account receivables. The Office of Targeted Business Development will continue to provide appropriate training classes for Detroit- based businesses and increase the level of Detroit- based entrepreneurs (DBE) participation in contracting services with the City of Detroit as well as other government agencies and private-sector companies. The Assessments Division will enhance Internet services with building data, photographs and sketches. The Treasury Division will implement an online payment date and access system for property taxes and Accounts Receivables.

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PERFORMANCE MEASURES AND TARGETS

Type of Performance Measure: List of Measures	2006-07 Actual	2007-08 Projection	2008-09 Target
Outputs: Units of Activity directed toward Goals			
Contracts Processed	765	775	850
Personal property audits	1,300	1,300	1,300
Refunds paid (checks issued)	135,983	150,000	140,000
Vendor Payments Processed	175,000	175,000	175,000

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EXPENDITURES

	2006-07 Actual Expense	2007-08 Redbook	2008-09 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 14,614,350	\$ 15,928,201	\$ 17,872,861	\$ 1,944,660	12%
Employee Benefits	10,042,482	10,628,306	11,293,873	665,567	6%
Prof/Contractual	2,314,832	3,953,749	6,014,289	2,060,540	52%
Operating Supplies	171,631	539,859	524,055	(15,804)	-3%
Operating Services	3,754,074	5,610,842	4,839,233	(771,609)	-14%
Capital Equipment	24,683	21,500	178,289	156,789	729%
Fixed Charges	170,982	45,683	43,360	(2,323)	-5%
Other Expenses	200,798	307,770	312,000	4,230	1%
TOTAL	\$ 31,293,832	\$ 37,035,910	\$ 41,077,960	\$ 4,042,050	11%
POSITIONS	312	351	365	14	4%

REVENUES

	2006-07 Actual Revenue	2007-08 Redbook	2008-09 Mayor's Budget Rec	Variance	Variance Percent
Fines/Forfeits	15,075	33,220	33,220	-	0%
Revenues	7,834	-	-	-	0%
Sales & Charges	4,302,087	9,721,847	8,704,025	(1,017,822)	-10%
Sales of Assets	112	-	-	-	0%
Miscellaneous	522,975	-	1,653,392	1,653,392	0%
TOTAL	\$ 4,848,083	\$ 9,755,067	\$ 10,390,637	\$ 635,570	7%

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